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The PV Installation Specialists

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

RE: Docket NO. E-01933A-10-0278

Dear Commissioners:

American Solar Electric (ASE) appreciates the opportunity to address the Arizona Corporation Commission (ACC) regarding TUCSON ELECTRIC POWER (TEP) COMPANY'S RES IMPLEMENTATION PLAN APPLICATION FOR APPROVAL OF NEW DISTRIBUTED ENERGY INCENTIVE (DOCKET NO. E-01933A-10-0278).

On behalf of the 100 Arizona-based employees of American Solar Electric (ASE), I would like commend the ACC and TEP for the time they have taken to make the residential solar market successful. TEP's application indicates that customers are responding in dramatic fashion and we understand that their 2010 residential compliance target is within reach. ASE is proud to be a contributor to this success and we look forward to supporting TEP and its customers as we continue to expand our operations and add jobs in the Tucson Metro area.

TEP's request for lower residential incentives is a positive step forward for the ACC's RES and for Arizona ratepayers. The time has come for reductions in utility incentive levels for residential solar electric systems in TEP service territory. ASE supports the incentive levels proposed by TEP for the balance of their 2010 program.

However, we must be clear that this application, while not a surprise does create some confusion and instability. ASE's primary concerns with the TEP application are:

1. Allow applications submitted to TEP prior to close of business on Friday, July 9, 2010, to be provided the incentives approved in the TEP 2010 REST Plan at \$3.00 per installed watt.
2. Approve funding to ensure Residential Distributed Generation program continuity through CY2010. ASE estimates that the residential market would require around \$2 million dollars per month for UFI's and at this time there is less than \$2 million available for the rest of the year.

In closing, I would like to emphasize that maintaining continuity in TEP's 2010 residential program is essential to attaining future-year compliance targets at reduced incentive levels.

Sincerely,

Sean M. Seitz
President

American Solar Electric, Inc.

Arizona Corporation Commission
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